



## State of Arizona

Janice K. Brewer  
Governor

Office of the Governor  
1700 West Washington Street, Phoenix, AZ 85007

Main Phone: 602-542-4331  
Facsimile: 602-542-7601

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CONTACT: Paul Senseman  
(602) 542-1342  
psenseman@az.gov

## Statement by Governor Jan Brewer

PHOENIX – “I want to thank the Members of the Arizona House and Senate for putting in substantial time and effort together with me to fill the increasing FY ’09 deficit hole. I have now signed both pieces of legislation. This latest update to the FY ’09 budget was not a simple exercise, as state revenues have continued to decline and very few weeks remain before the beginning of the new fiscal year. I am hopeful that, with a continued emphasis on negotiation and compromise, the legislature can reach consensus with my policy goals to approve an FY ’10 budget package promptly.

“The state deficit for FY ’10 now stands at more than \$3 billion. As I have communicated clearly for many months, there is no question that additional spending reductions will be necessary to balance the FY ’10 budget and ensure that we are well positioned to deal with projected FY ’11 challenges. In total, my permanent spending reduction target is an accumulated total of \$1 billion. This is not a small cut to government. It is the largest reduction in the size of state government in Arizona history.

“But let me repeat – spending reductions and federal stimulus dollars alone will not come close to fixing the FY ’10 budget or future budget deficits. New revenues of roughly \$1 billion will be necessary, as federal stimulus funding will only cover approximately \$1 billion of the FY ’10 deficit. And I will not approve an FY ’10 budget that does not take into account FY ’11 needs and requirements, just as I was unwilling to over-utilize federal stimulus funding to balance FY ’09 and leave our education system exposed to massive reductions in FY ’10.

“We are only a few months away before my agencies must begin preparations for FY ’11. It would be fiscally irresponsible for the legislature to ignore the depths of the FY ’11 state deficit by promoting a budget plan for FY ’10 that relies primarily on one-time measures.

“Now is the time for the legislature to build upon the momentum of this FY ’09 fix, and work with me on a balanced budget that is comprehensive, sustainable, addresses all points in my 5 point plan, and does not ignore the next budget process that is merely months away.”

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